

STATE OF CALIFORNIA

Public Utilities Commission  
San Francisco

MEMORANDUM

**Date:** April 29, 2002

**To:** The Commission  
(Meeting of May 2, 2002)

**From:** Bill Julian  
Office of Governmental Affairs (OGA) — Sacramento

**Subject:** **SB 1534 (Bowen)** – This bill updates existing standards requirements for solar energy systems to reference the most current standards. The bill also requires solar energy systems to comply with any applicable rules of the Commission regarding safety and reliability. Specifically, the bill updates Civil Code references to solar energy system standards to include safety and performance standards for electrical systems. Staff supports this change to the code to ensure that solar energy systems installed in the state are high quality, reliable, and safe which is commensurate with the goals of the Commission's Self-Generation Incentive Program, which provides incentive funds for solar energy systems.

The CPUC-OGA requests a formal position by the Commission for the above Senate Bill. Please find bill summary attached.

**SB 1534 (Bowen) – Solar energy systems.  
As Amended April 1, 2002**

**RECOMMENDATION:** Support if amended.

**Outline of Suggested Technical Amendments**

Sec. 714 (c). A solar energy system shall meet all applicable safety and performance standards established by the National Electrical Code, the Institute of Electrical and Electronics Engineers, and accredited testing laboratories such as Underwriters Laboratories and, where applicable, rules and tariffs of the electric utilities regulated by the Public Utilities Commission regarding safety and reliability. [amended language underlined/italicized]

**SUMMARY:** This bill updates existing standards requirements for solar energy systems to reference the most current standards. The bill also requires solar energy systems to comply with any applicable rules of the Commission regarding safety and reliability. Specifically, the bill updates Civil Code references to solar energy system standards to include safety and performance standards for electrical systems. Staff supports this change to the code to ensure that solar energy systems installed in the state are high quality, reliable, and safe which is commensurate with the goals of the Commission's Self-Generation Incentive Program, which provides incentive funds for solar energy systems.

**BACKGROUND:** This bill updates existing law last updated in 1994 (SB 1553 (Alquist), Chapter 382, Statutes of 1994), which protects solar access as a property right, by requiring solar energy systems installed by property owners to meet the most current standards for safety and performance. These standards are established by the National Electrical Code, the Institute of Electrical and Electronics Engineers, and accredited testing laboratories such as Underwriters Laboratories. The bill also requires that these solar energy systems comply with any applicable Commission rules regarding safety and reliability.

**ANALYSIS:** This bill references Commission rules that may apply to solar energy systems. Staff interprets this reference to mean the Commission's authority to approve utility rules and tariffs governing distributed generation and solar energy systems (e.g. interconnection, standby, net metering of solar and wind systems). For example, the PUC-approved Rule 21 tariffs of each electric IOU, which set interconnection requirements for small generating facilities, govern interconnection safety, power quality, and other technical requirements. As described in suggested amendments, the Commission may wish to provide the Committee with the proposed amendment to clarify that utility rules and tariffs approved by the Commission apply to the installation of solar energy systems.

**COMMENTS:** This bill removes a reference in Civil Code to the Solar Rating and Certification Corporation (SRCC), which provides a nationally recognized rating for solar thermal collectors. The intent of the bill is to update standards requirements to capture photovoltaic technologies, an electrical generating system, to require certification by the

appropriate entities and accredited testing authorities. Section 714(c), as amended, borrows language from P.U. Code § 2827(f) regarding standards for photovoltaic systems.

The Commission does not currently administer any programs that affect solar thermal collectors, however we did offer rebates for those solar energy systems in the early 1980s under OII 42. The Energy Commission currently administers a small grant program for solar domestic water and swimming pool heaters.

## **LEGISLATIVE STAFF CONTACT**

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**BILL LANGUAGE:**

BILL NUMBER: SB 1534 AMENDED

BILL TEXT

AMENDED IN SENATE APRIL 1, 2002

INTRODUCED BY Senator Bowen

FEBRUARY 20, 2002

An act to amend Section 714 of the Civil Code, relating to solar energy systems.

**LEGISLATIVE COUNSEL'S DIGEST**

SB 1534, as amended, Bowen. Solar energy systems – ~~intent~~.

*Existing law provides that any covenant, restriction, or condition contained in any deed, contract, security instrument, or other instrument affecting real property, as specified, that prohibits or restricts the installation or use of a solar energy system is void and unenforceable. Existing law requires that solar collectors meet the standards and requirements imposed by state and local permitting authorities, and specifically requires, in this regard, certification by the Solar Rating Certification Corporation or other nationally recognized certification agencies. Existing law requires this certification to be for the entire solar energy system and installation.*

*This bill would delete the requirements regarding state and local standards and certification described above, and instead require that a solar energy system meet all applicable safety and performance standards established by the National Electrical Code and the Institute of Electrical and Electronics Engineers, among others, and applicable rules of the Public Utilities Commission.*

~~—Chapter 17 of the Statutes of the 2001–02 Second Extraordinary Session, which will go into effect on the 91st day after the final adjournment of the 2001–02 Second Extraordinary Session, until January 1, 2006, will require the State Energy Resources Conservation and Development Commission to develop a grant program to offset a portion of the cost of eligible solar energy systems.~~

~~—This bill would declare the intent of the Legislature to remove restrictions that have the effect of inhibiting homeowners from~~

~~installing solar energy panels on their property.~~

Vote: majority. Appropriation: no. Fiscal committee: no.  
State-mandated local program: no.

THE PEOPLE OF THE STATE OF CALIFORNIA DO ENACT AS FOLLOWS:

~~SECTION 1. It is the intent of the Legislature to enact an act that removes restrictions that have the effect of inhibiting homeowners from installing solar energy panels on their property.~~

*SECTION 1. Section 714 of the Civil Code is amended to read:*

714. (a) Any covenant, restriction, or condition contained in any deed, contract, security instrument, or other instrument affecting the transfer or sale of, or any interest in, real property that effectively prohibits or restricts the installation or use of a solar energy system is void and unenforceable.

(b) This section shall not apply to provisions which impose reasonable restrictions on solar energy systems. However, it is the policy of the state to promote and encourage the use of solar energy systems and to remove obstacles thereto. Accordingly, reasonable restrictions on a solar energy system are those restrictions that do not significantly increase the cost of the system or significantly decrease its efficiency or specified performance, or that allow for an alternative system of comparable cost, efficiency, and energy conservation benefits.

~~(c) Solar collectors shall meet applicable standards and requirements imposed by state and local permitting authorities. Specifically, solar energy systems shall be certified by the Solar Rating Certification Corporation (SRCC) or other nationally recognized certification agencies. SRCC is a nonprofit third party supported by the United States Department of Energy. The certification shall be for the entire solar energy system and installation.~~ A solar energy system shall meet all applicable safety and performance standards established by the National Electrical Code, the Institute of Electrical and Electronics Engineers, and accredited testing laboratories such as Underwriters Laboratories and, where applicable, rules of the Public Utilities Commission regarding safety and reliability .

(d) For the purposes of this section:

(1) "Significantly" means an amount exceeding 20 percent of the cost of the system or decreasing the efficiency of the solar energy system by an amount exceeding 20 percent, as originally specified and proposed.

(2) "Solar energy system" has the same meaning as defined in Section 801.5.

(e) Whenever approval is required for the installation or use of a solar energy system, the application for approval shall be processed and approved by the appropriate approving entity in the same manner as an application for approval of an architectural modification to the property, and shall not be willfully avoided or delayed.

(f) Any entity, other than a public entity, that willfully violates this section shall be liable to the applicant or other party for actual damages occasioned thereby, and shall pay a civil penalty to the applicant or other party in an amount not to exceed one thousand dollars (\$1,000).

(g) In any action to enforce compliance with this section, the prevailing party shall be awarded reasonable attorney's fees.